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CENTRAL INTELLIGENCE AGENCY

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SECURITY INFORMATION

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INFORMATION REPORT

REPORT NO. [REDACTED]

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COUNTRY Hungary

DATE DISTR. 15 April 1952

SUBJECT 1. State Enterprise for Construction
2. Construction Work During 1949-1950

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1. In 1949 during the course of general nationalization, the ten most important building and construction companies, among which were the Zsigmondi Melyépitő T.T., Somogyi György & Társa, Erdélyi és Vajda, Palatinus Házépitő R.T., were amalgamated into a state enterprise for construction work. This enterprise was subordinated to the Ministry of Industry.
2. Some months later this organization was placed under the control of the Ministry of Transport and the following three state companies were formed:
 - a. State Enterprise for Water Engineering, Manager: Géza Vastag.
 - b. State Enterprise for the Construction of Bridges.
 - c. State Enterprise for Road Building.

Work throughout the country was distributed among these three enterprises, mainly according to the type of work.
3. Administrative Headquarters for all three enterprises were located in the building of the Ministry of Transport, Budapest. There were approximately 500 permanent employees, among whom were: technicians, clerks, statisticians, designers, foremen, etc. The permanent labor force numbered about 10,000 workers.
4. The Headquarters consisted of the following departments:
 - a. Party Secretary - Politcommisar.
 - b. General Management (The manager was always chosen from former workers and frequent changes were made). Sections directly under the General Management were:

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- 1) Planning. Chief: Sándor Szabados.
- 2) Wages
- 3) Statistics
- 4) Training. This section trained masons, carpenters, foremen, etc., as there was a shortage of skilled construction workers.
- 5) Propaganda. This section helped in finding labor.

c. Finance. Subsections:

- 1) Bookkeeping
- 2) Finance.

d. Technical Department. Subsections:

- 1) Technical Supervision.
- 2) Technical Planning.
- 3) Archives and Records.

5. All machinery which had belonged to the construction companies mentioned in paragraph 1 was distributed among the three State enterprises. As a result the Enterprise for Water Engineering received 25 dredging machines and dredging vessels which were used mainly in the Danube, Tisza, and Sajó rivers.
6. The following is a list of some of the projects which were executed in 1949-50. During 1949 some 30 million Florins were spent.
 - a. Danube-Tisza Canal from Dunaharaszti to the Kecskemét road (22 km.). The work was interrupted at the beginning of 1950, after the preliminary work had been finished, as it appeared that the project was not foreseen in the Five-Year Plan.
 - b. Foundations for 12 smelting furnaces at the Diósgyőr foundry at Diósgyőr.
 - c. Underground channels for aqueducts at Diósgyőr. The water of the river Sajó was conducted to the foundry in underground concrete channels.
 - d. Foundations for the new Technical College at Miskolc.
 - e. Constructions for the Army. An underground installation for an armament factory was constructed in the Mátka Mountains, near the village of Jobbág. This was cut in the rock with the help of explosives and compressors. A large number of subterranean chambers and passages were built, all provided with enormous shafts and exhausts for the supply of fresh air.

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